

The *Starting Fresh in Low-Performing Schools* series provides district leaders with a blueprint for making deep and lasting change – the kind that is likely to lead to improvements in our most struggling schools. Presented in five parts, the *Starting Fresh* series honestly addresses the challenges of restructuring low-performing schools. Through these books, districts learn both *why* and *how* to use the start fresh strategy successfully.

- 1 A New Option for School District Leaders under NCLB
- 2 Engaging Parents and the Community
- 3 Selecting the Right Providers
- 4 Establishing the Right Relationship Terms
- 5 Empowering Teachers



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Establishing the Right Relationship Terms



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NATIONAL ASSOCIATION OF
CHARTER SCHOOL AUTHORIZERS

The National Association of Charter School Authorizers (NACSA) is a professional resource for authorizers and other education officials interested in using choice, autonomy and accountability to improve student performance.

NACSA's mission is to achieve the establishment and operation of quality charter schools through responsible oversight in the public interest. We believe that quality authorizing plays a critical role in creating and sustaining quality charter schools. A quality charter school is characterized by high student achievement, financial stewardship, and responsible governance and management. Charter schools can improve public education by creating greater educational opportunities for students and educators and greater educational accountability for public schools.

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Starting Fresh in Low-Performing Schools

Districts and states across the country have a growing sense of urgency about turning around chronically low-performing schools. Spurred by state accountability systems and the federal No Child Left Behind mandate to “restructure” such schools, education leaders are seeking out new ways to create success for children attending schools where too many have failed for far too long.

When they use starting fresh district leaders allow a “new school” to start within the walls of a pre-existing school building.

One new approach that districts and states are beginning to employ is “starting fresh.” When they use starting fresh (See *Starting Fresh in Low-Performing Schools: a New Option for District Leaders under NCLB*), district leaders allow a “new school” to start within the walls of a pre-existing school building. They empower an education provider (See: *Who are Start Fresh “Providers?”*) to start and run a school under a clearly defined, performance-based contract. In contrast to more conventional “change” strategies, starting fresh gives the provider a great deal more control over school operations – such as staffing, management policies, instruction, curriculum, schedules, discipline and parent relations. This control allows the start fresh school to target every policy and practice to the learning needs of that school’s students, even when their needs differ profoundly from other students in local district schools. Extensive research from a variety of organizational fields suggests that this kind of fresh start is often the best way to achieve the dramatic change the most challenged schools need.



**starting
fresh**

in low-performing schools

How Can “Restructuring” Under No Child Left Behind Enable a School to “Start Fresh?”

Under the federal No Child Left Behind Act, when schools fail to make Adequate Yearly Progress for five consecutive years, districts must act to “restructure” the school. Within that broad mandate, though, NCLB offers districts flexibility on how to restructure schools:

- Reopen the school as a charter school;
- Contract with an external provider to manage a school;
- Replace staff and leadership;
- Turn the school’s operation over to the state; or
- Engage in some other kind of restructuring.

While federal law has provided minimal guidance on exactly what it means to “restructure” a school, the term itself implies a dramatic change in business as usual. One way to effect this kind of change is starting fresh: allowing a new school to open open within the walls of the old. But whether restructuring really amounts to starting fresh depends upon how the district and school go about the change process.

The first and second option, chartering and contracting, provide the clearest avenues for allowing schools to start fresh. Chartering or contracting, however, that leads only to incremental changes or change in only one aspect of a school’s operations (e.g., a new curriculum only or a new leader only, or worse yet – just “charter” inserted into the name of the school) or that ties a new school to district-wide policies would not be considered starting fresh as defined here. Instead, district leaders empower, by way of a charter or contract, the school to truly “start fresh” with a clean slate on which to re-create all aspects of the school’s design and structure.



Who are Start Fresh “Providers”?

Many different kinds of teams can serve as school operators, or “providers” as we call them here, under the start fresh strategy. Some operate as nonprofit entities while others are for-profit companies. Examples include:

- Self-formed teams of teachers in a local community
- Teams of parents, teachers and district administrators
- School management organizations, either new or experienced, local or national, that start and manage multiple schools
- Organizations providing education-related services (e.g., community-based organizations working in education or child development)
- Operators of stand-alone charter schools ready to replicate

The growing interest in the start fresh strategy has brought about a heightened sense of the challenges to starting fresh successfully. In response, the National Association of Charter School Authorizers (NACSA) has developed a series of publications to help district leaders implement a successful start fresh strategy.

This installment in the *Starting Fresh in Low-Performing Schools* series tackles a critical step to starting fresh in a chronically low-performing school: establishing the right relationship terms between the district and the new school provider.



How Does Starting Fresh Differ From Conventional School Improvement Strategies?

“Change” is not a new term to public education. In fact, schools have been trying for years, even decades, to make changes that will improve student performance. However, to date these changes have been conventional, typically involving small to moderate changes, often one at a time. Curriculum and instructional changes, professional development and staffing changes are common elements of a conventional change strategy.

Starting fresh involves bold change in all aspects of school operations and leadership. Starting fresh occurs when a district enters into a contract or charter with a provider that has authority over all critical aspects of a school’s policies and practices. Two aspects of change distinguish starting fresh most clearly from conventional change strategies:

- **Across-the-board change.** Not only is the leader different; all or most of the staff are as well. The school is truly in a position to create a new culture and a new set of approaches to teaching and learning, and to ensure that every aspect of the school is coordinated and complements the overall focus and culture.
- **Authority to do things differently.** When a district starts fresh, it gives the provider a great deal more control over school operations – such as staffing, management policies, instruction, schedules, discipline and parent relations. This control allows the start fresh school to target every policy and practice to the learning needs of that individual school’s students, even when their needs differ profoundly from other students in local district schools.

Extensive research from a variety of organizational fields suggests that this kind of fresh start is often the best way to achieve the dramatic change underperforming schools need.



Defining the Start Fresh Relationship

Core to the start fresh concept is the “performance contract” which the district enters into with the start fresh school. Like any kind of contractual agreement between two parties where assets are provided (in this case, public money and a district school building) in exchange for a service or product (in this case, increased student learning), it is critical that the terms of the relationship be clear and fully documented.

Core to the start fresh concept is the “performance contract” which the district enters into with the start fresh school.

We use “relationship terms” rather than “charter” or “contract” to emphasize that districts may employ different legal structures to enable schools to start fresh. However, it is important that districts consider the relationship structures available for setting the relationship terms and choose the structure that will best allow the district and the provider to accomplish the desired outcome of the start fresh strategy – increased student performance.

The Legal Structure of the Start Fresh Relationship: Charter vs. Contract

While state charter laws often offer an ideal framework, they are not the only route for establishing a successful start fresh relationship between the provider and school district. The district could enable a school to operate “charter-like” through a well-structured contract, as others have (see *A Tale of Two Cities*). The chief potential drawback of a contract arrangement is that it offers less automatic autonomy for schools. In many states, the charter law offers a blanket waiver of state and district policies; thus, the individual charter does not have to enumerate these exemptions. By con-





trast, in a contract arrangement the precise scope of autonomy must be negotiated. In principle, there is no reason why full-scale autonomy cannot be specified in a contract. But the devil, as they say, is in the details.

A Tale of Two Cities: Setting Relationship Terms with Schools in Chicago and New York City

CHICAGO

Under its Renaissance 2010 Initiative, Chicago Public Schools (CPS) is restructuring low-enrollment and low-performing schools as charter schools, contract schools and new district schools – aka “performance schools.” Through the Renaissance 2010 RFP process, providers select the relationship structure with CPS for which they are applying.

Schools that reopen as charter schools automatically have freedom from many state laws, district initiatives, and board policies, and their teachers and staff are employees of the new school provider. Schools that operate by way of a contract with the district are also free from many district policies and their staff are employees of the school provider, but they do not have automatic freedom from state school laws. In “performance schools,” teachers remain district employees and teacher’s union members. Key relationship terms for Chicago’s charter, contract and performance schools are compared in the chart on page 7.

Comparison of Charter, Contract and Performance Schools under Chicago’s Renaissance 2010 Initiative

	Charter Schools	Contract Schools	Performance Schools
Curriculum	Must meet state standards; not linked to district initiatives	Must meet district and state learning standards as specified in Performance Agreement; may or may not participate in district initiatives	Must meet district and state learning standards as specified in Performance Agreement; may or may not participate in district initiatives
School Calendar and Schedule	Must meet state minimums	Must meet state minimums	Must meet state minimums; may or may not follow district schedule, as specified in Agreement
School Funding	Per pupil	Per pupil	Per pupil
Teacher Certification	50 - 75% of teachers must be certified	100% of teachers must be certified	100% of teachers must be certified
Teacher Pension Fund	Certified teachers in pension fund. Others covered by Social Security.	District teachers in pension fund. Other teachers covered by Social Security.	All teachers in pension fund
Teachers and Staff are Employed by:	Charter school board or sub-contracted management organization	Contract school board or sub-contracted management organization	Chicago Public Schools
Teachers Union	May be unionized	May be unionized; may or may not be Chicago Teachers Union members	Chicago Teachers Union members
Employee Compensation	Determined by school	Determined by school	In accordance with district salary schedules

SOURCE: Chicago Public Schools Renaissance 2010 Initiative: <http://www.ren2010.cps.k12.il.us/types.shtml>



A Tale of Two Cities (continued)

NEW YORK CITY

In 2004, the New York City Department of Education (NYCDOE) created an “Autonomy Zone” comprised of nearly 60 district schools that are held to specific performance criteria in exchange for greater local authority. Under performance contracts, schools in the Zone are given increased autonomy over instructional methods, interim assessments, professional development, scheduling of the school day and use of budgeted funds for educational purposes. Schools in the Zone are also exempt from the district’s mandated English and math curricula. They are not exempted, however, from rules regarding teacher hiring or union-negotiated working conditions. In exchange for increased autonomy, schools are held to strict performance agreements that supplement NCLB accountability requirements.

Charter schools authorized by NYCDOE are given even greater autonomy in exchange for similar accountability. Charter schools have control over their curriculum, professional development, scheduling of the school day, and school budget. Unlike schools in the Zone, charter schools are able to hire and fire their own teachers, and are exempted from district bargaining agreements and teacher certification requirements (for up to 30% of the teaching staff, as allowed by the state’s charter school law). In return, charter schools are required to demonstrate measurable student achievement and organizational results.

In some states, a charter may be a less desirable instrument than a contract if, for example, charter schools statutorily receive lower levels of per-pupil funding than district schools. In such a case, a contract arrangement could provide the fresh start school with more resources. Some state charter school laws also require a lottery for all of a school’s seats. For districts that want to give admission preference to the pre-existing school’s students or students within a specified geographic location, a contract would likely be more appropriate than a charter. See the chart on page 9 comparing the advantages of different forms of relationship.



Chartering and Contracting Compared

	Advantages	Disadvantages
Chartering	<ul style="list-style-type: none"> ■ Provides school with statutory guarantee of autonomy and funding which can outlive the tenure of “friendly” district leaders and provide school with real legal protection ■ District may already have well-developed processes for granting and overseeing charters 	<ul style="list-style-type: none"> ■ Not an option in states without charter laws or in districts without chartering authority ■ Some charter laws cap the number of schools that can be chartered, or limit the number of schools that can operate under a single charter ■ Some charter laws cap per-pupil charter funding at less than district funding, and deny charter schools facilities funding
Contracting	<ul style="list-style-type: none"> ■ A way to start fresh in states with no charter law ■ Allows district and school to tailor terms to specific circumstances (e.g. define the attendance boundary of the school) ■ Not subject to statutory caps on the number of charter schools ■ Can sidestep statutory limits on charter per-pupil funding or access to facilities. 	<ul style="list-style-type: none"> ■ Does not provide school with statutory guarantee of autonomy and funding ■ Procurement laws and procedures may be unwieldy or make it difficult to select best providers ■ Some state laws prohibit or restrict contracting the core educational function





Key Relationship Terms: Autonomy, Accountability and Resources

Whatever the legal framework of the relationship between the district and the new school provider, the terms of that relationship play a critical role in the success of starting fresh. Strong relationships are built upon a clear delegation and understanding of each party's rights and responsibilities codified in a binding legal agreement between the two parties. Fortunately, charter authorizers around the country have developed expertise in creating strong performance-based agreements, and that experience is embodied in NACSA's *Principles and Standards for Quality Charter School Authorizing* (See NACSA's *Standards for Quality Performance Contracting* on page 11.)

The very essence of starting fresh – the reason why more and more districts are using this approach – is to allow a new school provider freedom to do what works for a school's particular population, which requires the ability to depart from what has not worked in the past.



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NACSA's Standards for Quality Performance Contracting

A quality authorizer negotiates contracts that clearly articulate the rights and responsibilities of each party regarding school autonomy, expected outcomes, measures for evaluating success or failure, performance consequences and other material terms.

Negotiation	Utilizes a collaborative process to ensure mutual agreement over the terms of the contract.
Rights and Responsibilities	Executes contracts that:
Autonomy	Define the school's rights, including those related to the educational program, control of funds, school management decisions, and waivers from traditional public school laws and regulations.
Expected Outcomes	Define clear, measurable, and attainable student achievement and organizational performance goals against which the district will evaluate the school on an ongoing basis and for renewal. Articulates rigorous performance indicators and standards relative to each of the stated goals.
Evaluation Process	Stipulate the process for evaluation, including but not limited to: the types of academic, organizational, financial and compliance data that will be reviewed, and the process and frequency for gathering and reporting such data.
Performance Consequences	Explain the conditions under which the district may intervene in the school's operation or revoke the contract as well as procedures/protocols by which such interventions may occur. Define the criteria for renewal.
Other Material Terms	Include the statutory, regulatory, and procedural terms and conditions of operation.

From NACSA's *Principles and Standards for Quality Charter School Authorizing*, 2005.
<http://www.charterauthorizers.org/files/nacsa/BECSA/Quality.pdf>



The core terms fall into three general categories, each of which is imperative to the success of the start fresh relationship:

Autonomy. Starting fresh requires that the new provider have the freedom to do what works for the school's student population. The relationship between the start fresh school and the district should be based on a clear delegation of authority regarding the educational program, school management, and waivers from traditional public school laws and regulations. Clear terms about the provider's autonomy ensure that the district and the school understand where their responsibilities begin and end.

Accountability. Strong relationships are built upon clear, measurable and attainable expectations for performance. The relationship terms should define the performance standards to which the start fresh school will be held accountable for achieving as well as outline the district's responsibility for monitoring outcomes. Strong accountability terms also make clear the circumstances under which the district may intervene in the school or terminate the relationship.

Resources. School providers need to have a clear understanding of how the start fresh school will obtain needed resources to operate. Thus, the relationship terms should address the level of funding the district will provide the new school provider. It should also specify any services, such as mail, professional development, food, health or transportation, that the school will receive in-kind or have the option of purchasing from the district. The conditions and requirements for these kinds of supports are key terms of the relationship.

The following sections explore the three major categories of relationship terms in more detail. NACSA's online library, www.charterauthorizers.org, also includes several contract templates used by authorizers when entering into agreements with their schools.

Autonomy

The very essence of starting fresh – the reason why more and more districts are using this approach – is to allow a new school provider freedom to do what works for a school's particular population, which requires the ability to depart from what has not worked in the past. A new school provider's strength is often its different approach to instruction, staffing, scheduling of the school day and year, parent relationships and discipline techniques. To the extent that the district requires or encourages the new provider to use existing district staff, methods, services or schedules, success for students who did not achieve under traditional methods may be compromised.

A new school provider's strength is often its different approach to instruction, staffing, scheduling of the school day and year, parent relationships and discipline techniques.

The autonomy that start fresh schools need to receive is very important to consider as it is often quite contrary to how school districts tend to work – where issues are debated and negotiated at the board level with district staff input, and then a decision is imposed uniformly across schools. Starting fresh requires exceptionality, and that requires leadership to recognize that it is acceptable for these schools to be different; in fact, it's imperative that they be different to meet previously unfulfilled student needs.



For many reasons, a district might, with good intention, want a new school provider to use district practices and services. For example, large districts are accustomed to achieving money-saving economies of scale by coordinating bus schedules across the district. But many successful new school providers have found that longer school days and school weeks are essential to improving student learning. Requiring – or even tempting – a new school provider to follow the district’s daily schedule to achieve economy in transportation could thwart success for students who need more time on task at school to learn. As this example illustrates, districts have got respect the autonomy afforded to start fresh schools and allow these schools to use such freedom in ways that they deem most likely to improve student performance.

KEY RELATIONSHIP TERMS: DEFINING THE SCHOOL’S AUTONOMY

- **Personnel decisions**, including hiring and firing, management, performance standards and grievance processes
- **Financial management**, including which portions of the budget may be allocated at the school level
- **Educational program**, including curriculum, instructional approaches, discipline policies, professional development and parental involvement
- **Governance and operations**, including board and/or management structure, calendar and length of the school day

The need to give start fresh schools true autonomy can not be stressed enough. Here, we zero in on key points that warrant specific attention for establishing the right relationship terms with a start fresh school.



Give start fresh providers authority to make their personnel decisions.

Since by definition, starting fresh takes place within a pre-existing school, there very well might be a cohort of incumbent staff members. The start fresh provider may want to hire some of these staff members to work in the “new” school; but compelling a provider to hire incumbents would run against the idea of starting fresh.

It goes without saying that the future employment of teachers working at a school prior to its “fresh start” is an issue that, if not handled properly, can lead to much tension and has the potential to derail the start fresh strategy entirely. Thus, it is critical that district leaders have well-thought out plans and options for incumbent staff who will not continue with the school through its fresh start. This issue is raised not to frighten, but to forewarn. In fact, as it is so imperative to the success of a start fresh strategy, NACSA examines these very kind of teacher-related issues in more detail in another publication in the *Starting Fresh* series: *Empowering Teachers*.

Moreover, personnel autonomy needs to extend beyond this initial hiring decision. Many districts have pre-defined selection, management and grievance processes for staff. At the same time, new school providers often have their own contracts with staff that tend to focus on well-defined expectations for selection, performance feedback and professional development. Staff members who are not motivated or inspired by such expectations generally would not perform well under such conditions. And if a district’s pre-existing staff terms for hiring, performance or development are forced upon a new school – for example, seniority rights in hiring, pre-determined work hours, or a guarantee of employment regardless of performance – then some teachers who will not perform well in the new school may nonetheless work there. This can reduce the school’s success by diminishing the provider’s control over its instructional plan and increasing time spent on performance problems by inappropriately placed staff.





To be sure, implementing this kind of autonomy raises complex issues in districts governed by collective bargaining agreements with unions. This topic is covered as well in the *Empowering Teachers* publication of the *Starting Fresh* series.

Give start fresh providers control over the school's budget. A start fresh school cannot be truly autonomous without significant control over its own budget. Autonomy over the budget gives school leaders the power to use funds to best meet the school's needs. So while revenue levels may be set by state law or district allocation, a school leader must be empowered to exercise authority over how to allocate money in order to get the job done – improved student performance.

That is not to say that the district should completely ignore the financial activities of start fresh schools. Just as the district will hold it accountable for increasing student performance, the district ought to ensure the start fresh school is using public dollars properly. The district can hold the school accountable for its spending without prescribing down to the last dollar how a school allocates its money. For example, most states require charter schools to have an independent financial audit conducted annually, and many authorizers require charter schools to submit an approved annual budget and quarterly financial statements. Requiring periodic reports, which should be fully defined as part of the relationship terms between the start fresh school and district, will allow the district to monitor the proper use of funds while respecting the budgetary authority that is essential to the success of the start fresh school.

Enable start fresh providers to implement their educational programs fully.

While a start fresh school cannot remove the challenges that students arrive with every day, it can change the way that the school addresses those challenges. A strong start fresh provider brings with it an educational program that shows great potential for success with students who did not perform well under the school's previous program. The relationship terms should allow the provider to implement curriculum models, instructional approaches, and teaching methodologies with a record of success with student populations similar to that of the start fresh school. Requiring the school to implement district instructional strategies, follow a certain bell schedule, employ particular textbooks or materials, or use the district's professional development offerings could all get in the way of full implementation of the provider's program and its ability to succeed at raising student achievement.

Finally, the relationship terms should be written broadly enough to afford school leadership the flexibility to make strategic changes to their plans and programs as needed while remaining faithful to the contract terms. Beyond the constraints noted above, contracts should give start fresh providers wide latitude across all the critical areas of school operations. In short, the relationship between the district and the new school provider should give the providers room to maneuver to achieve student learning first and foremost. In tandem with this autonomy comes the next critical aspect of the relationship: accountability for results.

Accountability

The goal of starting fresh is to dramatically improve student achievement in schools that have failed too many students for too long. Start fresh providers must therefore be held accountable for their ultimate results: are they dramatically improving student learning?

And while student performance is the heart of the matter, start fresh schools should also be held accountable for maintaining an effective organization and operating in compliance with federal and state laws applicable to all public schools. Thus, the relationship terms should clearly define the



performance and compliance standards to which the start fresh school will be held accountable, the system for measuring performance and public reporting of results, and the conditions for renewal or non-renewal of the contract based on results. Here we describe key requirements for strong accountability when starting fresh.

KEY RELATIONSHIP TERMS: DEFINING THE SCHOOL'S ACCOUNTABILITY

STUDENT PERFORMANCE

- **Student achievement results**, including absolute, value-added and comparative performance on state standardized and nationally-normed assessments
- **Other measures of academic success**, including attendance and graduation rates and mission-specific outcomes

FINANCIAL PERFORMANCE

- **Financial management and viability**, including prior and pro-forma budgets, cash flow statements and student enrollment

LEGAL PERFORMANCE

- **Educational programs**, including special education and English Language Learner programs
- **Health and safety**, including student discipline and due process
- **Facilities**, including building code and accessibility
- **Fiscal compliance**, including internal controls and generally accepted accounting principles
- **Governance**, including open meeting laws and by-law adherence

Set high standards for performance. Contracts should clearly delineate the student achievement expectations to which the school will be held accountable. Start fresh schools should be subject to at least the same level of accountability that applies to all public schools, such as state and federal

academic requirements (e.g., Adequate Yearly Progress), and any additional measures, such as the “value” the school is adding to students’ education, comparison of results from similar schools and graduation rates, by which the school’s success in increasing student achievement will be measured.

The ability to set high standards for performance provides district leaders much needed control, through a legally binding agreement with the school provider, over the explicit results it expects the school to achieve and leverage to act should the school fail to deliver.

The relationship terms should also outline financial performance indicators, such as enrollment trends and financial reporting, for which the school will be held accountable. Like the student performance measures, financial performance must be measurable and capable of being determined objectively.

While autonomy is a hallmark of the start fresh strategy, it is important to note that there are some requirements to which start fresh schools, as public schools, must abide. For example, state laws regarding health, safety, civil rights, assessment and accountability will generally apply fully to start fresh schools. So will federal law and regulation, which cannot be waived by state law or by the contract between district and school provider. The contract should clearly spell out the school’s legal obligations, either explicitly or by reference to relevant statutes and regulations.

The ability to set high standards for performance provides district leaders much needed control, through a legally binding agreement with the school provider, over the explicit results it expects the school to achieve and leverage to act should the school fail to deliver. District leaders should use this opportunity to demand the level of achievement we want for all students.



Conduct systematic evaluations of performance. Contracts should define the district's authority to require data for accountability purposes, the standard to which such information/data will be held, the collection method, and the frequency of collection. NACSA's *Authorizer Self-Evaluation Instruments* (see *References and Resources*) include a full section on oversight and evaluation, which examines the implementation of accountability provisions more fully.

Require public reporting of performance results. Research on dramatic organizational improvement shows that full, public sharing of results is essential to change¹, and there is no reason to believe that new schools are immune to the benefits of such reporting. The best providers constantly keep tabs on student progress during the school year, but districts will not want to assume that providers will fulfill that responsibility. Instead, they should ensure it by requiring annual measurement and disclosure of student achievement and progress (as well as other measures, such as financial viability and parent satisfaction) to allow everyone, from school district officials to community members, access to the same measures of success.

Determine consequences for poor performance. What are the conditions for intervention or termination? The ultimate consequence of non-performance typically includes non-renewal or termination of the provider's charter or contract. Any district embarking on starting fresh needs to be prepared for this possibility; it is highly likely that at least some start fresh providers will fall short of expectations. In those cases, consider interim consequences, such as specific, short-term performance improvement goals or increasing frequency of reporting when progress or scores are unacceptable. Such interventions carry their own risks, since they may require a more hands-on involvement than districts typically want with a start fresh school. Knowing that other start fresh schools have achieved fast, strong learning results with very disadvantaged children should help districts enforce consequences that lead to speedy improvement or the closing of lagging schools.



Accountability is complicated, and charter authorizers have learned much in the past 15 years about what works and what does not. NACSA's website (www.charterauthorizers.org) provides more resources for developing and implementing effective accountability systems.

Resources

While start fresh schools are afforded greater autonomy, the district's involvement in the school's operation should not be completely hands off. In fact, the district needs to play an important role in ensuring that start fresh schools have access to resources necessary for operation, mainly funding. Furthermore, as districts have long been in the "business" of servicing schools, the district may have important resources that it can provide, either in-kind or fee-for-service, that can support the ultimate success of the start fresh school should it choose to take advantage of such resources.

KEY RELATIONSHIP TERMS: RESOURCES

- **Level of funding** available to the school, including start-up funds and federal and state entitlements and grants and payment schedule
- **Services and benefits** available to the school, such as district retirement benefits, professional development, technical assistance, transportation and food service and their costs
- **How facilities will be managed and paid for**, including capital improvements, repairs and maintenance, furniture and other equipment



Determine funding levels and allocation schedule. What level of resources will the new school receive? On what schedule? It is important that the relationship be based upon clear terms regarding the level of district funding the school can expect, including any start-up funds that the provider may need to reopen the school. It should also include an ongoing payment schedule that will realistically support the new school's operations.

Define the availability of and access to services and benefits. To what extent may the new school access the district's services such as professional development, certification and recruitment programs? Does the district plan to provide technical assistance to the new school provider and staff? Will the new school employees receive district retirement benefits or insurance? And what about transportation, food service, accounting and other non-academic services?

The district needs to play an important role in ensuring that start fresh schools have access to resources necessary for operation.

Each of these services and a long list of others are important for the leaders and staff in a start fresh school, but they do not all necessarily have to come from the district. If the new school is operated by an organization that operates several other schools, the organization may have developed its own capacity in some of these areas; that capacity may well be one of the features that made the provider attractive to the district in the first place. Even a stand-alone school may prefer to purchase a given service elsewhere. To preserve school autonomy, it is vital for the district to give start fresh schools the choice over whether to "buy" such services from the district. And when the school does buy a service, the district must be prepared to be flexible: for example, to work with the school to develop a transportation schedule that accords with the school's day.



One example of a comprehensive fee-for-service system comes from **Milwaukee Public Schools**. The district annually provides charter schools in its jurisdiction with a full menu of contracted services, such as audit and accounting, mail, marketing, technology, special education and transportation services, which schools can choose to purchase from the district. Alternately, charter schools can opt to purchase these services from other providers. To help schools choose, the district's "menu" clearly specifies the estimated per-student or overall price of each individual service offered, based on the actual cost of provision by the district.

It is important to note that a state's charter law may require that districts provide some of these services for free or at a given cost (such as special education provisions or transportation), so districts choosing to start fresh should be aware of specific obligations, if any. Whatever the case under a given state's law, both parties should negotiate terms that clearly delineate which party is responsible for each of these types of services, and their costs.

Figure out the facilities issues. Districts that are starting fresh will generally use the school's previous facility to house the new school. However, there are several remaining "facilities" questions: Does starting fresh require some initial cosmetic or structural improvements and, if so, how will they be paid for? Beyond those initial steps, is the district or the new school provider obligated to pay for capital improvements? Who will pay for and provide the routine maintenance and operation of the facility? Who will oversee or manage repairs? Who will provide furniture and other equipment? Again, charter laws may dictate some of these arrangements. Others will need to be negotiated between the district and the start fresh school. And while there may be no clear cut answer to these questions, the district should enter negotiations with the mindset of doing what is right by the children that will attend such schools.





Other Provisions

A district's relationship with its new school provider is likely also to include several other provisions necessary for prudent contracting. The relationship terms may likely include additional provisions, such as covenants and warranties, disclaimers of responsibility, governing law and other notices and conditions.

OTHER KEY RELATIONSHIP TERMS:

- **Insurance**
- **Indemnification**
- **Disclosure of liability**
- **Contract term**, including renewal, terminations and amendments



The Contracting Process

While the content of the contract ultimately determines the legal relationship between district and provider, the process by which it is developed can also have an effect on how the provider and district work together. Ideally, the district will develop a standard template that forms the basis for a start fresh school. The question then becomes how this template needs to be adapted for the specific provider in question. One way to tailor contracts for a specific case is via the proposal the provider submitted in order to become a start fresh school. This proposal can act as the blueprint for the school's operations, management and educational program, incorporated by reference into the charter or contract.

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Another way to tailor is through negotiation of specific terms. Some terms will clearly be non-negotiable due to legal requirements faced by the district. Others are discretionary, and working in good faith to adapt these can help get the district-provider relationship off on the right foot.

In addition to the initial negotiation, it is also important to have a clear process for amending the terms of the contract as the relationship progresses. Especially in the fast-changing context of starting fresh, it is unlikely that the parties will anticipate all of the issues that will arise over time. Having a process in place for addressing issues as they arise will go a long way in maintaining healthy and productive a relationship between the district and the start fresh school.





Conclusion

Every relationship between a district and a new school provider is different, and there is no formula for the perfect charter or contract. However, starting fresh always depends on the new provider having wide authority to operate the school in ways that will work – even if those approaches deviate from traditional district policies. Granting providers that latitude, holding them accountable for results, and providing necessary resources along the way are essential elements of an effective start fresh approach. Examining key provisions related to autonomy, accountability and resources will help districts avoid conflict in the future and foster a relationship that will offer a quality education to students who have been left behind for too long.

About the Starting Fresh in Low-Performing Schools Series

Research across a wide range of organizations tells us that starting fresh has a great deal of *potential* as a strategy for achieving substantial improvement in schools that need it the most. To realize that potential, though, district leaders need to craft a well-designed approach to starting fresh that takes advantage of what we know about successful fresh starts in schools and in other kinds of organizations.

NACSA's *Starting Fresh in Low-Performing Schools* series provides practical guidance to district leaders for implementing a successful school restructuring. The first publication in the series, *Starting Fresh in Low-Performing Schools: A New Option for District Leaders Under NCLB*, introduces what it means to start fresh and provides an overview of the benefits, challenges and key steps in a start fresh strategy for districts.



This resource in the *Starting Fresh* series, *Setting the Right Relationship Terms*, discusses the importance and key components of a quality performance agreement between a district and start fresh provider. Other important aspects of a start fresh strategy include:

Engage parents and community members effectively in the starting fresh process. Parents and members of the community will take a strong interest in any effort to “do something” about schools they regard as “their own.” Starting fresh can empower parents and communities in unprecedented ways – or it can spark conflict that derails reform. Engaging parents and community members productively is thus a critical part of the start fresh process.

Select the right providers to operate start fresh schools. Ultimately, starting fresh will only be as successful as the schools that are launched under its banner. The schools, in turn, will succeed or fail in large part based on who steps in to operate them, whether that provider is an established organization that manages schools or a group of committed educators or community leaders. Understanding what kinds of capacity are required for successful fresh starts – and selecting providers based on that understanding – is therefore central to a district's success with starting fresh.

Empower teachers to overcome resistance to the strategy. Starting fresh is controversial and much of the controversy has little to do with the children who are not learning and more to do with the adults who stand to lose jobs. Bringing teachers to the table to work in support of the start fresh goals can go a long way in implementing a successful start fresh strategy.

Each of these topics is examined in detail in similar NACSA publications. Email startfresh@charterauthorizers.org to request copies of *Starting Fresh in Low-Performing Schools* publications.



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The *Starting Fresh in Low-Performing Schools* series is edited by Rebecca Cass, director, national activities (rebeccac@charterauthorizers.org) in conjunction with Greg Richmond, president (gregr@charterauthorizers.org) and John Ayers, vice president for communications (johna@charterauthorizers.org; 312.376.2321). Your comments, questions and suggestions about this resource or the series are welcome.

ENDNOTES

¹ Kotter, J.P. (1995, March-April), Leading Change: Why transformation efforts fail. *Harvard Business Review*, 19-27. See also Kim, W.C. & Mauborgne, R. (2003, April). Tipping point leadership. *Harvard Business Review*, 60-69.



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